



**THE FOUNDATION
FOR SECURE
MARKETS**

#51041

Date: September 16, 2022

Subject: Adjusted NatWest Group plc - Cash Distribution Settlement/Cash in Lieu Settlement
Adjusted Option Symbol: NWG1

Adjusted NatWest Group plc options were adjusted on August 30, 2022 (See OCC Information Memo #50944). The new deliverable became 1) 92 NatWest Group plc (NWG) American Depositary Shares, 2) Approximately \$39.58 Cash, and 3) Cash in lieu of approximately 0.857142 fractional NWG Shares. Settlement of the stock and cash portions of NWG1 options exercise/assignment activity were subject to delayed settlement.

NWG American Depositary Shares began regular way trading on the New York Stock Exchange on September 1, 2022.

OCC has been informed that the final net special dividend amount is \$0.381441 (\$0.3907 less \$0.009259 dividend fee) per NWG share held.

OCC has been informed that a price of \$4.85 per whole NWG share will be used to determine the cash in lieu amount at a rate of 0.857142. Accordingly, the cash in lieu amount is:

$$0.857142 \times \$4.85 = \$4.16 \text{ per NWG1 Contract}$$

The cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

Now that the trading status, final net special dividend amount, and cash in lieu amount have been determined, OCC will require Put exercisers and Call assignees, during the period of August 30, 2022 through September 16, 2022 to deliver the appropriate number of NWG shares and appropriate cash amount.

Terms of the NWG1 options are as follows:

New Deliverable

Per Contract: 1) 92 NatWest Group plc (NWG) American Depositary Shares
2) \$42.30 Cash $((\$0.381441 \times 100) + \$4.16)$

Strike Prices: Unchanged

CUSIP: 639057207

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The NWG component of NWG1 exercise/assignment activity, which was subject to delayed settlement from August 30, 2022 through September 15, 2022, will settle through National Security Clearing Corporation (NSCC). The \$42.30 cash amount will be settled by OCC.

Pricing

The underlying price for NWG1 will be determined as follows:

$$\text{NWG1} = 0.92 (\text{NWG}) + 0.423$$

For example, if NWG closes at 6.38, the NWG1 price would be calculated as follows:

$$\text{NWG1} = 0.92 (6.38) + 0.423 = 6.29$$

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.